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FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

SEP 29 2003

OFFICE OF
MANAGING DIRECTOR

Philip L. Verveer, Esq.
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1875 K Street, N.W.
Washington, D.C. 20006-1238

Re: Loral Space & Communications Ltd. and
Various Subsidiaries as Debtors-in-Possession;
Request for Deferrals and Waivers of *Pro Forma*
Assignment and Transfer of Control Application
Fees
Fee Control No. 00000RROG-03-093

Dear Counsel:

This letter responds to your request (dated July 25, 2003) submitted on behalf of Loral Space & Communications Ltd. (Loral) for waivers of the fees associated with applications to assign and transfer control of space and earth station authorizations and wireless radio authorizations held by its subsidiaries to those subsidiaries as debtors-in-possession.¹ The fees for the applications to assign or transfer the satellite space and earth station authorizations total \$135,150.00, and the fees for the applications to assign the wireless radio authorizations total \$2,870.00. You also request deferral of payment pending resolution of the waiver request. Our records reflect that you have not paid the application fees at issue here.

¹ Specifically, as you explain in subsequent e-mail communications with Commission staff, Loral requests waivers of the filing fees with respect to the applications to assign and transfer control of authorizations to Loral Satellite, Inc., Debtor-in-Possession, Loral SpaceCom Corporation, Debtor-in-Possession, Loral Skynet Network Services, Inc., Debtor-in-Possession, Loral Orion, Inc., Debtor-in-Possession, CyberStar, L.P., Debtor-in-Possession (as direct parent corporation of CyberStar Licensee, L.L.C.), and Space Systems/Loral, Inc., Debtor-in-Possession.

At the time that Loral filed the instant waiver request, Loral had not yet filed the applications to assign the wireless radio authorizations. Subsequent to the filing of the waiver request, however, Loral filed the applications to assign the wireless radio authorizations and provided the Office of General Counsel with FCC date-stamped copies of those applications.

In your request, you state that on July 15, 2003, Loral and certain of its subsidiaries "commenced with the United States Bankruptcy Court for the Southern District of New York [Bankruptcy Court] voluntary cases under Chapter 11 of Title 11 of the United States Code." You submit a copy of the Bankruptcy Court's "Order Pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure Directing Joint Administration of Chapter 11 Cases," dated July 15, 2003, consolidating the bankruptcy cases of Loral and its subsidiaries, including the bankruptcy cases of the subsidiaries at issue here. You state that Loral, as a debtor-in-possession in bankruptcy, has limited funds available for non-operational purposes and that the company's management has a duty to safeguard the company's assets for the benefit of its creditors. You state that payment of the application fees would further deplete the assets in the estate that are available to the creditors and for the reorganized company's operations. You also state that the assignment and transfer of control applications are *pro forma* in nature and require little processing by Commission staff.

Section 1.1117 of the Commission's rules, 47 C.F.R. §1.1117, provides that filing fees may be waived upon a showing of good cause and a finding that the public interest will be served thereby. *See Establishment of a Fee Collection Program to Implement the Provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985*, 5 FCC Rcd 3558, 3572-73 (1990). We find that the bankruptcy filing involving Loral and its subsidiaries substantiates Loral's claim of financial hardship and demonstrates good cause for waiver of the filing fees. *See MobileMedia Corporation*, 14 FCC Rcd 8017, 8027 (1999) (bankruptcy establishes good cause for waiver of filing fee). Moreover, waiver of the filing fees will serve the public interest by protecting the interests of innocent creditors. Therefore, your requests for waiver of the application filing fees in connection with the assignment and transfer of control applications for the space and earth station authorizations and the wireless radio authorizations are granted.

If you have any questions concerning this letter, please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,



for Mark A. Reger
Chief Financial Officer

00000 R R 06-03-093

WILLKIE FARR & GALLAGHER

1875 K Street, N.W.
Washington, DC 20006-1238
Tel: 202 303 1000
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July 25, 2003

Andrew S. Fishel, Managing Director
Office of the Managing Director
Federal Communications Commission
445 12th Street SW, Room 1A625
Washington, DC 20554

**Re: Loral Space & Communications Ltd. and various subsidiaries as debtor in possession;
Applications for involuntary, *pro forma* assignment and transfer of control of satellite
space and earth station authorizations and wireless radio authorizations; Request for Fee
Waiver and Deferral**

Dear Mr. Fishel:

Loral Space & Communications Ltd. (Debtor-in-Possession) ("Loral Ltd.") hereby requests that the Commission waive the fee payment requirement in connection with the applications for consent to assign and transfer control of space and earth station authorizations and wireless radio authorizations held by certain of its subsidiaries to those subsidiaries as debtors in possession. Loral further requests that the Commission defer payment of the applicable fees pending resolution of this waiver request.

Loral Ltd.'s subsidiaries hold various satellite space and earth station authorizations and wireless radio authorizations granted by the Commission. On July 15, 2003, Loral Space & Communications Ltd. ("Loral Ltd.") and certain of its subsidiaries (including most of its FCC-licensed subsidiaries) commenced with the United States Bankruptcy Court for the Southern District of New York voluntary cases under Chapter 11 of Title 11 of the United States Code. (Attached is a copy of one of the first day Orders issued by the Bankruptcy Court.) Concurrent with the filing of this fee waiver and deferral request, Loral is electronically filing six Form 312 applications with the International Bureau to seek the Commission's consent to the assignment or transfer, as a result of the company's Chapter 11 bankruptcy filing, of the company's FCC authorizations from each Loral entity to that entity as Debtor-in-Possession. The filing fees for these applications total \$135,150. In addition, Loral will be filing on the ULS the requisite applications to assign its wireless radio authorizations, including 14 private microwave licenses, two business radio licenses and one aeronautical license. Loral anticipates that those filing fees will be \$3,280.00.¹

¹ Loral will file those applications on the ULS shortly and will forward a copy of them to you when they are filed. Loral respectfully requests that you consider simultaneously waiving all the FCC filing fees related to its Chapter 11 status.

Pursuant to Section 1.1117(a) of the Commission's rules, the Commission may waive or defer filing fees in specific instances where good cause is shown and where waiver or deferral of the fees would promote the public interest. This waiver and deferral request meets that standard. Loral, as a debtor in possession in bankruptcy, has limited funds available for non-operational purposes and company management has a duty to safeguard the company's assets for the benefit of its creditors.² The payment of FCC filing fees (even if those funds were ultimately returned after grant of a waiver) would further deplete the assets in the estate available to creditors and for the reorganized company's operations. Further, the assignment and transfer requests are merely *pro forma* in nature and require little processing by Commission staff.

The Commission has recently granted requests for waiver and deferral of fees under similar circumstances. For example, Orbital Imaging Corporation was granted a deferral and waiver of its application fees for the *pro forma* assignment of its space and earth station licenses in connection with its entry into bankruptcy.³ Motient Corporation was granted waiver of its fees under similar circumstances.⁴

Therefore, Loral asserts that there is good cause to grant this request for waiver and deferral of its application fees and that such waiver and deferral is in the public interest.

Should you have any questions, please contact the undersigned.

Sincerely,



Philip L. Verveer
Jennifer D. McCarthy
Kasey A. Chappelle

Counsel for Loral Space &
Communications Ltd.
(Debtor-in-Possession)

² See Implementation of Section 9 of the Communications Act, 10 FCC Red. 12759 (1995) (evidence of bankruptcy or receivership sufficiently establishes financial hardship for good cause to waive of regulatory fees).

³ Fee Decisions of the Managing Director Available to the Public, DA 02-1495, *Public Notice*, 17 FCC Red. 11966 (2002) (granting Orbital Imaging's fee waiver and deferral request).

⁴ Letter from Mark A. Reger, Chief Financial Officer, FCC Office of Managing Director, to Eric W. DeSilva, Wiley Rein & Fielding, dated May 10, 2003 (granting Motient Corporation's fee waiver request).

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X		
In re	:	Chapter 11 Case No.
LORAL SPACECOM CORPORATION,	:	03- 41709 (RDD)
Debtor.	:	

-----X		
In re	:	Chapter 11 Case No.
LORAL SPACE & COMMUNICATIONS LTD.,	:	03- 41710 (RDD)
Debtor.	:	

-----X		
In re	:	Chapter 11 Case No.
LORAL SPACE & COMMUNICATIONS CORPORATION,	:	03- 41711 (RDD)
Debtor.	:	

<p>In re</p> <p>LORAL SATELLITE, INC.,</p> <p>Debtor.</p>	<p>:</p>	<p>Chapter 11 Case No.</p> <p>03- 41712 (RDD)</p>
<p>In re</p> <p>SPACE SYSTEMS/LORAL, INC.,</p> <p>Debtor.</p>	<p>:</p>	<p>Chapter 11 Case No.</p> <p>03- 41713 (RDD)</p>
<p>In re</p> <p>LORAL COMMUNICATIONS SERVICES, INC.,</p> <p>Debtor.</p>	<p>:</p>	<p>Chapter 11 Case No.</p> <p>03- 41714 (RDD)</p>
<p>In re</p> <p>LORAL GROUND SERVICES, L.L.C.,</p> <p>Debtor.</p>	<p>:</p>	<p>Chapter 11 Case No.</p> <p>03- 41715 (RDD)</p>
<p>In re</p> <p>LORAL ORION, INC.,</p> <p>Debtor.</p>	<p>:</p>	<p>Chapter 11 Case No.</p> <p>03- 41716 (RDD)</p>

<p>In re</p> <p>LORAL CYBERSTAR GLOBAL SERVICES, INC.,</p> <p>Debtor.</p>	<p>Chapter 11 Case No.</p> <p>03- 41717 (RDD)</p>
<p>In re</p> <p>LORAL CYBERSTAR GMBH,</p> <p>Debtor.</p>	<p>Chapter 11 Case No.</p> <p>03- 41718 (RDD)</p>
<p>In re</p> <p>LORAL CYBERSTAR JAPAN, INC.,</p> <p>Debtor.</p>	<p>Chapter 11 Case No.</p> <p>03- 41719 (RDD)</p>
<p>In re</p> <p>LORAL CYBERSTAR SERVICES, INC.,</p> <p>Debtor.</p>	<p>Chapter 11 Case No.</p> <p>03- 41720 (RDD)</p>
<p>In re</p> <p>LORAL CYBERSTAR HOLDINGS, L.L.C.,</p> <p>Debtor.</p>	<p>Chapter 11 Case No.</p> <p>03- 41721 (RDD)</p>

-----X	
In re	: Chapter 11 Case No.
LORAL CYBERSTAR	: 03- 41722 (RDD)
INTERNATIONAL, INC.,	:
Debtor.	:
-----X	
In re	: Chapter 11 Case No.
LORAL ASIA PACIFIC	: 03- 41723 (RDD)
SATELLITE (HK) LIMITED,	:
Debtor.	:
-----X	
In re	: Chapter 11 Case No.
SS/L EXPORT CORPORATION,	: 03- 41724 (RDD)
Debtor.	:
-----X	
In re	: Chapter 11 Case No.
CYBERSTAR, L.P.,	: 03- 41725 (RDD)
Debtor.	:
-----X	
In re	: Chapter 11 Case No.
CYBERSTAR, L.L.C.,	: 03- 41726 (RDD)
Debtor.	:
-----X	

-----X	
In re	: Chapter 11 Case No.
LORAL SKYNET	:
NETWORK SERVICES, INC.,	: 03- 41727 (RDD)
Debtor.	:
-----X	

-----X	
In re	: Chapter 11 Case No.
LORAL LICENSING LTD.,	: 03- 41728 (RDD)
Debtor.	:
-----X	

**ORDER PURSUANT TO RULE 1015(b)
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE
DIRECTING JOINT ADMINISTRATION OF CHAPTER 11 CASES**

Upon the Motion, dated July 15, 2003 (the "Motion"), of Loral Space & Communications Ltd. ("Loral") and its affiliated debtors, as debtors and debtors in possession (collectively, with Loral, the "Debtors"), for an order pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), directing the joint administration of the Debtors' chapter 11 cases for procedural purposes only, as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § § 157 and 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 19, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. § § 1408 and 1409; and due and proper notice of the Motion having been provided

to (i) the United States Trustee for the Southern District of New York, (ii) the attorneys for the agents for the Debtors' prepetition secured lenders, (iii) the Debtors' twenty largest unsecured creditors (on a consolidated basis), and (iv) the attorneys for certain lenders of Loral SpaceCom Corporation, and it appearing that no other or further notice need be provided; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted; and it is further

ORDERED that the above-captioned chapter 11 cases are consolidated for procedural purposes only and shall be jointly administered by the Court; and it is further

ORDERED that nothing contained in this Order shall be deemed or construed as directing or otherwise affecting the substantive consolidation of any of the above-captioned cases; and it is further

ORDERED that the caption of the jointly administered cases should read as follows:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	
In re	: Chapter 11 Case No.
LORAL SPACE	: :
& COMMUNICATIONS LTD., <u>et al.</u> ,	: 03-41710 (RDD)
Debtors.	: (Jointly Administered)
-----X	

; and it is further;

ORDERED that a docket entry shall be made in each of the above-captioned cases substantially as follows:

An Order has been entered in this case directing the procedural consolidation and joint administration of the chapter 11 cases of Loral Space & Communications Ltd.; Loral Space & Communications Corporation; Loral SpaceCom Corporation; Loral Satellite, Inc.; Space Systems/Loral, Inc.; Loral Communications Services, Inc.; Loral Ground Services, L.L.C.; Loral Orion, Inc.; Loral CyberStar Global Services, Inc.; Loral CyberStar GmbH; Loral CyberStar Japan, Inc.; Loral CyberStar Services, Inc.; Loral CyberStar Holdings, L.L.C.; Loral CyberStar International, Inc.; Loral Asia Pacific Satellite (HK) Limited; SS/L Export Corporation; CyberStar, L.P.; CyberStar, L.L.C.; Loral Skynet Network Services, Inc.; and Loral Licensing Ltd. The docket in Case No. 03- 41710 (RDD) should be consulted for all matters affecting this case.

; and it is further

ORDERED that the Debtors shall be permitted to file their monthly operating reports required by the United States Trustee Operating Guidelines on a consolidated basis; and it is further

ORDERED that the requirement pursuant to Rule 9013-1(b) of the Local
Bankruptcy Rules for the Southern District of New York that the Debtors file a
memorandum of law in support of the Motion is hereby waived.

Dated: July 15, 2003
New York, New York

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE